

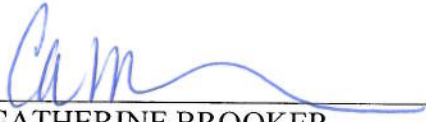
approval in July 2008 of the merger that formed Sirius XM. Most of Sirius XM's planning in this regard focused on a contemplated price increase of \$2 per month on the subscription plans and other charges, including the multi-receiver fee.

5. The three-year price restriction imposed by the FCC for certain Sirius XM subscription plans is expected to expire on July 28, 2011. I estimate that the overall, positive impact on Sirius XM's cash flow, between August 1 and December 31, 2011, if Sirius XM were to implement a \$2 price increase to the monthly base subscription rate and multi-receiver fee as of August 1, 2011 would be approximately \$185.6 million. This estimate of the impact on Sirius XM's cash flow in 2011 from such a price increase has been modeled as follows:

- On the basis of forecasted subscription renewals and new subscribers from August 2011 through December 2011, a \$2 increase to the monthly base subscription rate and the multi-receiver fee, effective August 2011, would provide an estimated \$158.6 million in additional cash to Sirius XM over the period from August 2011 through December 2011.
- With the U.S. Music Royalty Fee ("MRF"), Sirius XM passes through to its subscriber base certain royalty fees that Sirius XM is required to pay. The MRF is currently approximately 10.8% of the monthly base subscription rate (*i.e.*, \$1.40 per month on a \$12.95 monthly base subscription) and multi-receiver fee (*i.e.*, \$.97 per month on an \$8.99 monthly fee for each additional radio). Accordingly, a \$2 price increase to the monthly base subscription rate and multi-receiver fee after expiration of the FCC's three-year price restriction on July 28, 2011, would provide Sirius XM with an estimated \$17.1 million of additional cash—or 10.8% of \$158.6 million—over the period from August 2011 through December 2011.
- Sirius XM has contractual rights that allow Sirius XM to increase the monthly satellite radio service fees that certain automotive Original Equipment Manufacturers ("OEMs") pay to Sirius XM (in connection with trial periods for satellite radio that are extended to those OEMs' new car buyers), when Sirius XM increases its monthly base subscription rate. A \$2 price increase to the monthly base subscription rate after expiration of the FCC's three-year price restriction on July 28, 2011 would, upon exercise of these contractual rights by Sirius XM, result in an estimated \$9.9 million increase in positive cash flow to Sirius XM during the period from August 2011 through December 2011.

6. I declare under penalty of perjury that the estimates provided in this declaration are true and correct based upon forecasting and modeling data generated and used by Sirius XM in the ordinary course of its business.

Executed on July 15, 2011, in Washington, D.C.



CATHERINE BROOKER